

106TH CONGRESS
2D SESSION

H. RES. 479

Expressing the sense of the House of Representatives regarding global sustainable development, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2000

Mr. SANDERS (for himself, Mr. BROWN of Ohio, Mr. DEFazio, Mr. EVANS, Mr. KUCINICH, Ms. LEE, Ms. MCKINNEY, and Ms. WOOLSEY) submitted the following resolution; which was referred to the Committee on International Relations, and in addition to the Committees on Banking and Financial Services, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

RESOLUTION

Expressing the sense of the House of Representatives regarding global sustainable development, and for other purposes.

Whereas a new global economy has emerged over the past 25 years;

Whereas the global economy has had a profound and at times destructive impact on the majority of Americans and of people around the world;

Whereas most people have had little input in designing or governing the global economy;

Whereas the current structure of the global economy therefore violates the fundamental right of people to equality and self-determination as proclaimed in the Declaration of Independence of the United States and the Universal Declaration of Human Rights; and

Whereas uncontrolled globalization threatens the sustainability of local and global environments: Now, therefore, be it

1 *Resolved,*

2 **SECTION 1. SHORT TITLE.**

3 This resolution may be cited as the “Global Sustainable Development Resolution”.

5 **SEC. 2. SENSE OF THE HOUSE WITH RESPECT TO CONTROL**
6 **OF THE GLOBAL ECONOMY.**

7 It is the sense of the House of Representatives that
8 the United States and the people of the United States,
9 and the people and governments of the other Nations of
10 the world, should take actions to establish democratic control over the global economy.

12 **SEC. 3. FINDINGS WITH RESPECT TO UNREGULATED ECONOMIC**
13 **GLOBALIZATION.**

14 The House of Representatives makes the following
15 findings of fact:

16 (1) EFFECTS OF UNREGULATED ECONOMIC
17 GLOBALIZATION.—Experience has proved that un-
18 regulated economic globalization tends to generate
19 the following deleterious consequences:

1 (A) VOLATILITY.—Global financial deregulation has reduced barriers to the international
2 flow of capital. More than \$1,500,000,000,000
3 flows across international borders every day in
4 the foreign currency market alone, a volume so
5 large that a single nation cannot by interven-
6 tion create or restore monetary stability. The
7 result is a world economy marked by dangerous
8 and disruptive financial volatility.

10 (B) “RACE TO THE BOTTOM”.—
11 Globalization promotes a destructive competi-
12 tion in which workers, communities, and entire
13 nations are forced to cut labor, social, and envi-
14 ronmental costs in order to attract mobile cap-
15 ital. When many countries each tries to under-
16 cut their competitors the result is a disastrous
17 “race to the bottom”.

18 (C) INADEQUATE DEMAND.—As each work
19 force, community, and nation seeks to become
20 more competitive by reducing wages and social
21 and environmental overheads, lower wages and
22 reduced public spending result in less buying
23 power. This leads to stagnation, recession, un-
24 employment, and economic crisis on national,
25 regional, and global scales.

1 (D) INCREASED POVERTY.—The past
2 quarter-century of globalization has seen not a
3 reduction but a vast increase in poverty, as
4 demonstrated by the following examples:

5 (i) In the global economy, the number
6 of unemployed persons is approaching
7 1,000,000,000.

8 (ii) In the economy of the United
9 States, real average wages were \$9 per
10 hour as of 1973 and had decreased to \$8
11 per hour as of 1998, 25 years later. The
12 median family income was \$1,000 less in
13 1996 than it was in 1989. While this de-
14 crease in median family income was occur-
15 ring, the workload of the typical married
16 couple increased by 247 hours per year, or
17 more than 6 weeks of additional work.

18 (E) ECONOMIC INEQUALITY.—Economic
19 globalization has contributed to an enormous
20 increase in the concentration of wealth and the
21 growth of poverty both within nations and
22 worldwide, as demonstrated by the following ex-
23 amples:

24 (i) The single richest person in the
25 United States has wealth equal to the com-

1 bined wealth of the people who comprise
2 the least wealthy 40 percent of the popu-
3 lation of the United States.

4 (ii) The combined wealth of the 3
5 richest individuals in the world is greater
6 than the combined gross domestic product
7 of the 48 poorest countries in the world,
8 which represent one-quarter of the nations
9 in the world.

10 (iii) The 225 richest individuals in the
11 world, 60 of whom are residents of the
12 United States with combined assets of ap-
13 proximately \$311,000,000,000, have a
14 combined wealth of more than
15 \$1,000,000,000,000, which is equal to the
16 combined annual income of the people who
17 comprise the least wealthy 47 percent of
18 the world population.

19 (iv) The 447 richest individuals in the
20 world have a combined wealth greater than
21 the combined annual income of the people
22 who comprise the least wealthy half of the
23 world population.

24 (F) DISCRIMINATORY IMPACTS.—The
25 downward pressures of globalization have fo-

1 cused most intensively on groups subjected to
 2 discrimination that have the least power to re-
 3 sist, including women, racial and ethnic minori-
 4 ties, and indigenous peoples. Women have been
 5 the primary victims of exploitation in export in-
 6 dustries and have suffered the brunt of cut-
 7 backs in public services and public support for
 8 basic needs. Immigrants and racial and ethnic
 9 minorities in many parts of the world not only
 10 have been subjected to exploitation, but also
 11 have been abused as scapegoats for the eco-
 12 nomic troubles caused by corporate
 13 globalization. Indigenous peoples have had their
 14 traditional ways of life disrupted and their eco-
 15 nomic resources plundered by global corpora-
 16 tions and by governments doing the bidding of
 17 global corporations.

18 (G) DEGRADATION OF DEMOCRACY.—

19 Globalization has reduced the power of individ-
 20 uals and peoples to shape their economic des-
 21 tinies through participation in democratic proc-
 22 esses, as demonstrated by the following exam-
 23 ples:

24 (i) Of the 100 largest economies in
 25 the world, 51 are corporations, not coun-

1 tries. Globalization has greatly increased
2 the power of global corporations relative to
3 local and national governments. The ability
4 of governments to pursue development, full
5 employment, and other national economic
6 goals has been undermined by the increas-
7 ing ability of corporations to relocate cap-
8 ital to other jurisdictions.

9 (ii) There are few international
10 equivalents to the antitrust, consumer pro-
11 tection, and other laws that provide a de-
12 gree of corporate accountability at the na-
13 tional level. As a result, corporations are
14 able to dictate policy to governments,
15 backed by the threat of relocation.

16 (iii) Governmental authority has been
17 undermined by trade agreements, such as
18 the North American Free Trade Agree-
19 ment and the World Trade Organization,
20 and by international financial institutions,
21 such as the International Monetary Fund
22 and the World Bank, which restrict the
23 power of national and local governments to
24 govern their own economies. These institu-
25 tions themselves are sorely lacking in

1 democratic control and accountability.

2 They are all too often themselves complicit

3 in the denial of human rights.

4 (2) COMMON INTEREST.—It is in the common

5 interest of the people of the United States and of

6 the people of the world to rectify these defects.

7 **SEC. 4. SENSE OF THE HOUSE WITH RESPECT TO THE POLI-**

8 **CIES OF THE UNITED STATES REGARDING**

9 **THE GLOBAL ECONOMY.**

10 It is the sense of the House of Representatives that

11 the United States should adopt the following policies:

12 (1) GLOBAL ECONOMIC GOALS.—To reconstruct

13 the global economy to realize the following goals:

14 (A) Democracy at every level of govern-

15 ment from the local to the global.

16 (B) Human rights for all people.

17 (C) Environmental sustainability through-

18 out the world.

19 (D) Economic advancement for the most

20 oppressed and exploited parts of the population,

21 including women, immigrants, racial and ethnic

22 minorities, and indigenous peoples.

23 (2) DEMOCRATIC MULTILEVEL GLOBAL ECON-

24 OMY.—To construct a democratic multilevel global

25 economy that strengthens the capacity of govern-

1 ments to expand the capacity of their people to meet
2 economic needs and that gives due regard for the
3 following considerations:

4 (A) HUMAN RIGHTS.—Under the United
5 Nations Charter on the Economic Rights and
6 Duties of States, governments have the obliga-
7 tion to protect the human rights of their citi-
8 zens. These include their labor, social, environ-
9 mental, economic, and cultural rights. Govern-
10 ments have the right to pursue policies nec-
11 essary to fulfill these rights.

12 (B) INTERNATIONAL ACTION.—In a global
13 economy, international coordination and inter-
14 national institutions are at times necessary for
15 governments to effectively meet their obligations
16 to their people and to exercise the rights nec-
17 essary to do so.

18 (C) SUBSIDIARITY PRINCIPLE.—To the ex-
19 tent feasible, economic decisionmaking should
20 follow the subsidiarity principle, under which
21 decisionmaking is exercised as close to the locus
22 of the actual activity being decided as possible.

23 (3) REDUCTION OF VOLATILITY.—To reduce
24 the threat of financial volatility and meltdown by
25 using the following measures:

1 (A) CAPITAL CONTROLS.—Encouraging
2 capital controls to reduce the destabilizing im-
3 pact of international financial speculation (re-
4 ferred to as “hot money”) and to restore na-
5 tional monetary autonomy, including—

6 (i) national controls on capital inflow
7 and outflow;

8 (ii) levies on currency exchange trans-
9 actions to reduce the volume of short-term
10 transactions, restore national monetary au-
11 tonomy, and provide a resource pool for
12 sustainable development and environmental
13 protection; and

14 (iii) other forms of regulations on cur-
15 rency exchange rates and volumes.

16 (B) CURRENCY STABILIZATIONS.—Fore-
17 stalling competitive devaluations and helping
18 countries adjust to changing conditions without
19 drastic devaluations and massive increases in
20 exports.

21 (C) APPROPRIATE ECONOMIC DEMAND.—
22 Supporting appropriate economic demand to re-
23 duce insufficient global economic demand,
24 which requires the concerted efforts of the
25 major economic powers to ensure that global

1 demand remains adequate to help all economies
 2 grow. Efforts to increase demand should focus
 3 primarily on increasing equity and sustain-
 4 ability by expanding the resources devoted to
 5 the global poor and the global environment.

6 (D) DISCOURAGING HIGH-RISK SPECULA-
 7 TION.—Making speculators pay for their losses
 8 and eliminating international bailouts, which
 9 have insulated large banks and investors from
 10 the consequences of their high-risk speculations
 11 and have encouraged more such speculative ven-
 12 tures (referred to as “moral hazard”). The re-
 13 sult of international bailouts has been even
 14 more international volatility. When assistance is
 15 provided for economies in trouble, the assist-
 16 ance should benefit the people, not the inter-
 17 national investors who lured them into trouble
 18 in the first place.

19 (4) SUSTAINABLE DEVELOPMENT.—To counter
 20 inequality, poverty, and destructive competition (the
 21 “race to the bottom”) in the global economy by
 22 using the following measures:

23 (A) ENVIRONMENTAL MEASURES.—Pro-
 24 tecting the global environment by encouraging

development that enhances the environment as
a long-term resource.

(B) ECONOMIC MEASURES.—Encouraging
global, national, and local policies that—

(i) ensure livable wages;

(ii) make credit available for small
and medium-sized locally owned businesses
and farms;

(iii) pursue progressive taxes that re-
duce the burden on the poor;

(iv) promote long-term investment
rather than short-term investment that
skims off speculative profits;

(v) encourage spending on primary
health care, basic education, and other so-
cial services that improve the lives of peo-
ple and provide the basis for long-term
economic growth; and

(vi) empower people in local commu-
nities to use their resources to address
their needs, in accordance with the prin-
ciples that—

(I) international agreements
should not interfere with the right of
communities to set minimum stand-

1 ards and to pursue economic self-reli-
2 ance; and

3 (II) national and international
4 policy should channel resources to lo-
5 cally controlled development.

6 (C) ENDING GLOBAL DEBT SLAVERY.—
7 Pressuring creditors to write off the debt of the
8 poorest countries and to assist other debtor
9 countries in making sustainable development
10 rather than debt repayment their first priority.

11 (D) PURSUING COOPERATION AMONG RICH
12 AND POOR COUNTRIES TO REDUCE WORLD POV-
13 ERTY.—Recognizing that the existing gap be-
14 tween the global rich and poor is unacceptable,
15 and it is unconscionable to act as if the existing
16 gap can be a permanent feature of the global
17 economy.

18 (E) GRASSROOTS ORGANIZATIONS.—En-
19 couraging people at the grassroots to organize
20 themselves in strong and independent trade
21 unions and other organizations to assure their
22 participation in economic decisions and in an
23 equitable distribution of economic benefits.

24 (5) DEMOCRACY.—To encourage democracy by
25 using the following measures:

1 (A) FINANCIAL SUPPORT.—Using eco-
2 nomic policy to support democracy and human
3 rights. While humanitarian aid should be avail-
4 able to all in need, financial support should be
5 provided only in ways that encourage democra-
6 tization and popular participation and should
7 not be used to perpetuate regimes that deny
8 human rights.

9 (B) DEMOCRACY IN FINANCIAL INSTITU-
10 TIONS.—Democratizing international financial
11 institutions including the International Mone-
12 tary Fund and the World Bank, and inter-
13 national groups including the G-7/8. It is unac-
14 ceptable to assume that the rich countries of
15 the world can monopolize decisionmaking re-
16 garding the future of the global economy
17 through dominant voting privileges at the inter-
18 national financial institutions and through cre-
19 ation of major policy decisions through the G-
20 7/8. Voting in international financial institu-
21 tions must move toward the standard of equal
22 representation for all the world's people. Inter-
23 national economic policymaking must move
24 from the “rich men's club” of the G-7/8 to a
25 renewed North/South dialogue.

1 (C) ACCOUNTABILITY IN FINANCIAL INSTI-
 2 TUTIONS.—Making international financial insti-
 3 tutions transparent and accountable. The proce-
 4 dures, decisions, and programs of organizations
 5 including the World Bank, International Mone-
 6 tary Fund, and the World Trade Organization
 7 need to be open to public scrutiny.

8 (D) PARTICIPATORY DECISIONMAKING.—
 9 Letting those affected by international economic
 10 policies participate in formulating them. Instead
 11 of closed negotiations with top government and
 12 corporate officials, decisions about international
 13 economic agreements and loans should require
 14 participation by labor unions, environmental
 15 groups, women’s organizations, development or-
 16 ganizations, and other major sectors of civil so-
 17 ciety in each affected country.

18 (E) ESTABLISHING PLANS.—Encouraging
 19 governments at every level to establish sustain-
 20 able development plans and to provide inter-
 21 national support for the implementation of such
 22 plans.

23 (F) REDUCING “CRONY CAPITALISM”.—
 24 Ending “crony capitalism” by reducing the
 25 domination of political systems and media by

1 economic oligarchs and by increasing the capac-
 2 ity of people to organize at the grassroots.

3 **SEC. 5. SENSE OF THE HOUSE WITH RESPECT TO DEVEL-**
 4 **OPING DIALOG REGARDING THE FUTURE OF**
 5 **THE GLOBAL ECONOMY.**

6 It is the sense of the House of Representatives that,
 7 to develop the broadest possible dialog by the people of
 8 the United States among themselves and with the other
 9 peoples of the world regarding the future of the global
 10 economy, the following actions should be carried out:

11 (1) UNITED STATES COMMISSION.—The United
 12 States should establish a United States Commission
 13 on the Global Economy with the following character-
 14 istics:

15 (A) PURPOSE.—The purpose of the com-
 16 mission should be to initiate a dialog on the fu-
 17 ture of the global economy.

18 (B) DUTIES.—The duties of the commis-
 19 sion should include the following duties:

20 (i) To hold hearings to investigate the
 21 effect of globalization on the workers, in-
 22 dustry, and environment of the United
 23 States, which should—

24 (I) include the full participation
 25 of civil society, including representa-

1 tives from labor, women, minority, en-
2 vironmental, farm, and small business
3 groups; and

4 (II) have results that are widely
5 distributed and are made available for
6 public comment.

7 (ii) To hold “town meetings” in major
8 cities in the United States to invite public
9 participation in discussions.

10 (iii) To cooperate with similar com-
11 missions established by other countries and
12 by the United Nations.

13 (iv) To report its findings and rec-
14 ommendations to the Congress and to the
15 people of the United States.

16 (2) UNITED NATIONS COMMISSION.—The
17 United States should initiate the establishment of a
18 United Nations Commission on the Global Economy
19 with the following characteristics:

20 (A) PURPOSE.—The purpose of the com-
21 mission should be to initiate a global dialogue
22 on the future of the global economy.

23 (B) ACCOUNTABILITY.—The Commission
24 should function under the auspices of the

1 United Nations, as the representative of the
2 world's people.

3 (C) DUTIES.—The duties of the Commis-
4 sion should include the following duties:

5 (i) To seek to revive the North/South
6 dialogue and thereby to reorient the global
7 economy toward greater economic justice.

8 (ii) To use and expand techniques de-
9 veloped over the past decade to include
10 representatives of civil society and non-
11 governmental organizations in United Na-
12 tions conferences, including funding and
13 support for civil society participation.

14 (iii) To work with the United States
15 Commission on the Global Economy and
16 corresponding commissions of other na-
17 tions to develop the broadest possible dia-
18 logue regarding the future of the global
19 economy.

20 (iv) To establish a Global Economy
21 Truth Commission that—

22 (I) should have as its purpose to
23 provide citizens of the world with in-
24 formation needed to monitor the re-
25 sults, impacts, and failures of eco-

1 nomic institutions and policy at every
2 level; and

3 (II) should have the power to in-
4 vestigate, publicize, and refer to other
5 authorities abuses in the use of inter-
6 national funds and in the exercise of
7 power of international financial insti-
8 tutions.

9 (v) To initiate a series of Bretton
10 Woods type international conferences,
11 which—

12 (I) should include representatives
13 not only of countries, bankers, and in-
14 dustry, but an equal number of citizen
15 organizations from every country, and
16 should base negotiations on an open,
17 inclusive, and democratic process; and

18 (II) should make recommenda-
19 tions for and initiate negotiation of an
20 international agreement for global
21 sustainable development.

1 **SEC. 6. SENSE OF THE HOUSE WITH RESPECT TO THE**
2 **GLOBAL SUSTAINABLE DEVELOPMENT FI-**
3 **NANCIAL STRATEGY.**

4 It is the sense of the House of Representatives that
5 the United States should enter into negotiations with
6 other members of the United Nations to develop and im-
7 plement a sustainable development strategy with the fol-
8 lowing characteristics:

9 (1) IN GENERAL.—The objective of the United
10 States in the Global Sustainable Development Agree-
11 ment should be to incorporate the principles, rules,
12 and policies enunciated in this Resolution and estab-
13 lish the institutions described in this Resolution as
14 modified by the global dialog under section 5.

15 (2) INTENT.—The intent should counter the as-
16 pects of the global financial system that make it
17 more difficult for communities, regions, and Nations
18 to pursue sustainable development.

19 (3) PURPOSE.—The strategy should have as its
20 purpose to restructure the international financial
21 system to avoid global recessions, protect the envi-
22 ronment, ensure full employment, reverse the polar-
23 ization of wealth and poverty, and support the ef-
24 forts of polities at all levels to mobilize and coordi-
25 nate their economic resources.

1 (4) WORK WITH OTHER NATIONS.—The United
2 States should work with other Nations to—

3 (A) encourage economic policies based on
4 domestic economic growth and development, not
5 domestic austerity in the interest of export-led
6 growth;

7 (B) encourage the G-7/8 countries to co-
8 ordinate their economic policies to stimulate do-
9 mestic demand and prevent global deflation;

10 (C) help countries adjust currency ex-
11 change rates without competitive devaluations;

12 (D) develop means for assuring global li-
13 quidity, such as an expansion of the system of
14 special drawing rights, in order to protect the
15 global economy, and especially the economies of
16 poorer countries, from liquidity squeezes;

17 (E) encourage a return to more stable ex-
18 change rates in order to achieve the original
19 purposes of the Bretton Woods agreement;

20 (F) reduce the flows of destabilizing short-
21 term capital by the adoption of capital controls
22 as necessary;

23 (G) establish standards for and oversee the
24 regulation of banks and non-bank financial in-

stitutions by national and international regulatory authorities;

(H) encourage the shift of financial resources from speculation to sustainable development that is useful and environmentally positive, such as community development and targeted investment for small- and medium-sized businesses and farmers; and

(I) pursue other measures to ensure that global demand is adequate to provide full employment and a rising standard of living.

(5) FOREIGN CURRENCY TRANSACTION TAXES.—The United States, in cooperation with other nations, should establish levies on all foreign currency transactions and should establish the mechanisms for implementing such levies on such transactions. The levies should have the following purposes:

(A) To reduce the volume of destabilizing short-term cross-border financial flows.

(B) To restore national monetary autonomy over national currency.

(C) To provide pools of funds for investment in long-term environmentally and socially

1 sustainable development in poor communities
2 and countries.

3 (6) PUBLIC INTERNATIONAL INVESTMENT
4 FUNDS.—The United States, in cooperation with
5 other nations, should establish 1 or more public
6 international investment funds. The funds should
7 have the following purposes:

8 (A) To meet human and environmental
9 needs and ensure adequate global demand by
10 channeling funds into sustainable long-term in-
11 vestment.

12 (B) To counter global economic cycles by
13 expansion and contraction of fund activities.

14 (7) INTERNATIONAL INSTITUTIONS.—The
15 United States, in cooperation with other nations,
16 should develop international institutions to perform
17 functions of monetary regulation that are performed
18 inadequately by national central banks, which may
19 include the following functions:

20 (A) Maintaining a system of internation-
21 ally coordinated minimum reserve requirements
22 on the consolidated global balance sheets of all
23 financial firms.

1 (B) Utilizing reserve requirements to
2 counter cyclical variations in global growth
3 rates.

4 (C) Coordinating efforts to reduce fluctua-
5 tions in currency exchange rates through com-
6 plementary national fiscal and monetary policies
7 and international exchange rate agreements.

8 (8) DEBT CANCELLATION.—The United States
9 should take the following actions with respect to
10 debt cancellation:

11 (A) INITIATIVES.—The United States
12 should work with the G-7/8, the commercial
13 banks, the International Monetary Fund, the
14 World Bank, regional development banks, and
15 other international financial institutions to pur-
16 sue debt cancellation initiatives that—

17 (i) provide for creditors to write off
18 the debts of the most impoverished coun-
19 tries by the end of the year 2000; and

20 (ii) have as their final goal to allow
21 countries to pursue sustainable domestic
22 development.

23 (B) CANCELLATION.—The United States
24 should cancel all amounts owed to the United
25 States by the most impoverished countries.

1 (C) ADVOCACY.—The United States should
2 instruct its representatives in the International
3 Monetary Fund, the World Bank, and other
4 international financial institutions to advocate
5 full debt cancellation for the most impoverished
6 countries and to participate in debt relief.
7 Sources for debt relief may include previous
8 IMF accounts, special drawing authority, en-
9 hanced structural adjustment facility reserve
10 account, lower collateral requirements, and
11 gold. The international financial institutions
12 should provide \$1,000,000,000 of their own re-
13 sources to support substantial debt relief for
14 the highly indebted countries.

15 (D) NO STRUCTURAL ADJUSTMENT CONDI-
16 TIONS.—The United States should urge the
17 principle that debt cancellation should not de-
18 pend on adherence to structural adjustment or
19 similar programs.

20 (E) SUPPORT INVESTMENT.—The United
21 States should urge the principle that countries
22 receiving debt relief should support investment
23 in human development by allocating at least 20
24 percent of savings from such relief to basic so-

1 cial services, with appropriate input from civil
2 society in developing basic service plans.

3 (F) EXPORT EARNINGS.—The United
4 States should not require any country to pay an
5 amount exceeding 5 percent of its annual ex-
6 port earnings toward the servicing of foreign
7 loans.

8 (G) MILITARY SPENDING.—The United
9 States should urge the principle that funds re-
10 ceived for debt relief may not be used to in-
11 crease military spending.

12 (9) INSOLVENCY MECHANISM.—The United
13 States should cooperate with other Nations to estab-
14 lish, for highly indebted nations, an insolvency or
15 “bankruptcy” mechanism with the following charac-
16 teristics:

17 (A) IN GENERAL.—The mechanism should
18 draw upon the experience of other bankruptcy
19 procedures for governments, such as the munic-
20 ipal insolvency provisions of chapter 9 of the
21 United States bankruptcy law.

22 (B) ARBITRATION PANELS.—The mecha-
23 nisms should provide for the creation of arbitra-
24 tion panels with the following characteristics:

1 (i) Each arbitration panel should con-
2 sist of arbiters nominated in equal num-
3 bers by creditors and debtors, with 1 addi-
4 tional arbiter elected by the nominated ar-
5 biters.

6 (ii) Each arbitration panel should es-
7 tablish the debtor's capacity to pay, after
8 considering expenditures for social safety
9 nets necessary to protect a minimum of
10 human dignity of the poor and to protect
11 the debtor's economic future.

12 (iii) Persons affected by the results of
13 arbitration proceedings should have the
14 right to be represented in the proceedings.

15 (C) RESTRUCTURING DEBTS.—The mecha-
16 nisms should provide that when an arbitration
17 panel determines a country to be insolvent and
18 its debts to be unrepayable, the panel should re-
19 structure debts based on the debtor's ability to
20 pay. The restructuring should apply to all credi-
21 tors regardless of status as a government, an
22 international financial institutions, or a private
23 creditor.

1 **SEC. 7. SENSE OF THE HOUSE WITH RESPECT TO REFORM**
 2 **OF INTERNATIONAL FINANCIAL INSTITU-**
 3 **TIONS.**

4 It is the sense of the House of Representatives that
 5 the United States should impose the following conditions
 6 on any funding by the United States of the World Bank,
 7 the International Monetary Fund, or any other inter-
 8 national financial institution:

9 (1) LABOR CONDITIONS.—

10 (A) WORKER RIGHTS.—Each international
 11 financial institution should ensure, as a condi-
 12 tion of approval and renewal for every loan,
 13 conformance with internationally recognized
 14 worker rights set forth in the relevant conven-
 15 tions of the International Labor Organization,
 16 including—

17 (i) the right to freedom of association;

18 (ii) the right to organize and bargain
 19 collectively;

20 (iii) the right to freedom from dis-
 21 crimination;

22 (iv) the prohibition on the use of any
 23 form of forced or compulsory labor;

24 (v) the right to strike; and

25 (vi) the right to certain minimum
 26 labor standards that take into account dif-

1 ferences in development levels among Na-
2 tions, including a minimum age for the
3 employment of children, and acceptable
4 conditions of work with respect to min-
5 imum wages, hours of work, and occupa-
6 tional safety and health.

7 (B) ILO REPRESENTATION.—Mission
8 teams of international financial institutions
9 should include a representative from the Inter-
10 national Labor Organization to take the lead in
11 negotiating labor issues.

12 (C) LOCAL REPRESENTATION.—Local
13 labor unions should participate in the negotia-
14 tions.

15 (D) DOCUMENTATION.—The outcome of
16 the negotiations should be reflected in all inter-
17 national financial institution documents.

18 (2) ENVIRONMENTAL CONDITIONS.—

19 (A) SYSTEMATIC PROCESS.—Each inter-
20 national financial institution should establish a
21 systematic process to review in advance, and
22 take into account in policy formation, projected
23 impacts of each lending agreement on ecological
24 sustainability.

1 (B) ACCOUNTING.—Each international fi-
2 nancial institution should employ natural re-
3 source economists with expertise in environ-
4 mental accounting measures to integrate such
5 measures into technical assistance.

6 (C) REGULATIONS.—Environmental regu-
7 lations should not be weakened under any pro-
8 gram of any international financial institution.

9 (D) TAX POLICIES.—Loan programs of
10 any international financial institution should
11 encourage environmental tax policies to protect
12 the environment by correcting negative environ-
13 mental market externalities and other market
14 failures.

15 (E) LENDING.—All lending by any inter-
16 national financial institution should aim to
17 strengthen environmental laws and increase the
18 borrowing government's capacity for environ-
19 mental management and enforcement. Lending
20 must also incorporate the goals of shifting the
21 portfolio and operations toward environmentally
22 sustainable investments.

23 (F) CONSISTENCY.—No project or policy
24 of any international financial institution should

1 run contrary to the purpose or policy of any
2 multilateral environmental agreement.

3 (G) WORLD BANK ACTIONS.—The World
4 Bank should take the following actions:

5 (i) Invest 20 percent of its total en-
6 ergy portfolio in alternative or renewable
7 energy, demand-side management and en-
8 ergy efficiency programs in 2000, with the
9 share of such programs in the total energy
10 portfolio increasing 10 percent per year
11 thereafter to a permanent total to be es-
12 tablished.

13 (ii) Reduce carbon emissions on its
14 entire portfolio by 10 percent per year to
15 a permanent total to be established.

16 (iii) Develop and implement an action
17 plan for meeting the energy needs of the
18 world's 2,000,000,000 rural poor.

19 (iv) Shift its transportation portfolio
20 from road and highway construction to
21 traffic demand management, road safety,
22 rail, public transportation, and projects
23 that benefit nonmotorized transport users,
24 especially in the poorest segments of soci-
25 ety.

1 (v) Expand its investments in sustain-
 2 able agriculture projects that emphasize
 3 farmer participation, ecological education,
 4 and training to reduce use of pesticides
 5 and other chemical inputs.

6 (vi) Assist governments in developing
 7 integrated policy frameworks to support
 8 sustainable agriculture and local and na-
 9 tional food security.

10 (vii) Establish forest protection, con-
 11 servation, and reforestation as the priority
 12 objective for forest sector loans.

13 (viii) Fund projects that examine al-
 14 ternatives to wood and better efficiency in
 15 wood use.

16 (ix) Increase investments for demand-
 17 side management and water efficiency
 18 projects.

19 (H) WORLD BANK EXCLUSIONS.—The
 20 World Bank should exclude from funding the
 21 following projects:

22 (i) Infrastructure or extractive
 23 projects in frontier or primary tropical,
 24 temperate, or boreal forests.

1 (ii) Logging or other forest projects
2 unless certified by an accredited inter-
3 national certification body such as the For-
4 est Stewardship Council.

5 (iii) Projects in or impacting areas
6 listed on the United Nations list of na-
7 tional parks and protected areas, or nature
8 reserves/wilderness areas, or national
9 parks, or national monuments or proposed
10 nature sites.

11 (iv) Projects that involuntarily resettle
12 more than 500 people.

13 (v) Large dam projects that do not in-
14 corporate the recommendations of the
15 forthcoming final report of the World
16 Commission on Dams.

17 (vi) Projects involving the manufac-
18 ture of ozone-depleting substances or the
19 use of persistent organic pollutants or haz-
20 ardous pesticides.

21 (I) IMF ACTIONS.—The articles of agree-
22 ment of the International Monetary Fund
23 should be amended to reflect adherence to and
24 enforcement of environmental sustainability, in-
25 cluding the following elements:

1 (i) Establishing a system of environ-
2 mental reviews.

3 (ii) Preparing environmental impact
4 statements for each lending agreement.

5 (iii) Requiring that borrowing coun-
6 tries, at a minimum, maintain and enforce
7 existing environmental regulations.

8 (iv) Requiring that environmental
9 spending as a percentage of gross domestic
10 product not decrease under any program.

11 (3) SOCIAL CONDITIONS.—

12 (A) AVAILABILITY OF CREDIT.—Credit
13 policies should not decrease the availability of
14 credit for small- and medium-sized locally
15 owned businesses and farms.

16 (B) BASIC SOCIAL SERVICES.—An eco-
17 nomic reform program by an international fi-
18 nancial institution should not result in de-
19 creased real per capita public spending on the
20 part of the borrower government in the areas of
21 primary health care, basic education, and other
22 basic social services.

23 (C) NO USER FEES.—An international fi-
24 nancial institution should not advocate user fees

1 for basic health and education services in any
2 loan program.

3 (D) REVIEW OF IMPACTS.—Each inter-
4 national financial institution should establish a
5 systematic process to review in advance, and to
6 take into account in policy formation, projected
7 impacts of each lending agreement on public
8 health and poverty, as well as the impact of
9 such policies on vulnerable groups such as
10 women and children.

11 (4) DEMOCRACY AND HUMAN RIGHTS CONDI-
12 TIONS.—

13 (A) INDEPENDENT MONITORING PRO-
14 GRAM.—An independent monitoring program
15 should be established to identify violations of
16 human rights by international financial institu-
17 tions and should have the power to order such
18 institutions to immediately cease and desist
19 from such violations.

20 (B) PROMOTION OF DEMOCRACY AND
21 HUMAN RIGHTS.—All programs and policies of
22 international financial institutions should pro-
23 mote the growth and maintenance of democracy
24 and human rights in countries that receive
25 funds from such institutions. All such policies

1 should be developed in consultation with civil
2 society. Countries that engage in war crimes,
3 such as genocide, should not receive such funds,
4 except for programs meeting the strictest condi-
5 tions for humanitarian aid.

6 (5) IFI GOVERNANCE.—

7 (A) OPEN BOOKS.—Each international fi-
8 nancial institution should open all past books
9 and records for a complete investigation and
10 audit by the Global Economy Truth Commis-
11 sion.

12 (B) PUBLIC RELEASE.—Each international
13 financial institution should release publicly all
14 evaluation and audit documents, interim com-
15 mittee and development committee documents,
16 staff country reports, and any other documents
17 and reports serving similar functions. Such
18 public release should be a regular ongoing pro-
19 cedure of the institution.

20 (C) DISCLOSURE.—Each international fi-
21 nancial institution should adopt public informa-
22 tion disclosure policies that are based on the
23 presumption of disclosure of information sub-
24 ject only to narrow and limited exceptions. In-
25 formation should be disclosed early enough for

1 potentially affected persons to know of projects
2 in time to effectively oppose or participate in
3 the design process. Denials of requests for in-
4 formation should be subject to impartial review.

5 (D) ARTICLES OF AGREEMENT.—The arti-
6 cles of agreement of each international financial
7 institution should be amended to provide for
8 more democratic representation of the world's
9 peoples in proportion to their numbers in its
10 governing bodies, drawing upon such govern-
11 ance models as the Global Environmental Facil-
12 ity.

13 (6) PARTICIPATION.—

14 (A) SYSTEMATIC INTEGRATION.—Public
15 participation by government ministries, labor
16 unions, environmental groups, women's organi-
17 zations, development organizations, and other
18 major sectors of civil society should be inte-
19 grated systematically in all policy and program
20 negotiations of each international financial in-
21 stitution with each borrowing country.

22 (B) DOCUMENTATION.—The decisions
23 reached through the dialogue between the inter-
24 national financial institutions and the public
25 should be reflected in the final texts of con-

sultations, staff concluding analyses, and country reports.

(C) ACCOUNTABILITY.—Each international financial institution should implement independent, impartial, and citizen-driven accountability mechanisms to ensure that persons affected by the institution’s projects or policies have a means of holding the institution accountable for following its own policies and procedures. These mechanisms and procedures should be no less stringent than those established for the World Bank Inspection Panel.

(7) IMF MISSIONS.—

(A) TERMINATION OF IMF “MISSION CREEP”.—The International Monetary Fund should, within 2 years after the date of passage of this resolution, wind down and terminate all programs and activities it has created or expanded since 1971 (referred to as “mission creep”), including the following programs and activities:

(i) Structural Adjustment Facility.

(ii) Enhanced Structural Adjustment Facility.

(iii) Structural Adjustment Programs.

1 (iv) Imposition of so-called “good gov-
2 ernance” policies.

3 (v) Loans for purposes other than the
4 original mission of the International Mone-
5 tary Fund, to address short-term external
6 trade imbalances.

7 (vi) Bailouts of banks and private
8 lenders.

9 (vii) Advice, prescriptions, and man-
10 dates on national economic policies.

11 (B) IMF MANDATE.—The International
12 Monetary Fund should cease to condition lend-
13 ing on the adoption of economic policies and
14 measures that are inconsistent with the original
15 mandate of the Fund as expressed in its arti-
16 cles of agreement, which is a mandate “to con-
17 tribute . . . to the promotion and maintenance
18 of high levels of employment and real income
19 and to the development of the productive re-
20 sources” of its members.

21 (C) NO NEW POWERS.—The International
22 Monetary Fund should abandon efforts to
23 amend its articles of agreement to give itself
24 new powers relative to liberalization of the cap-

1 ital accounts of its member countries (referred
2 to as “backdoor MAI”).

3 **SEC. 8. SENSE OF THE HOUSE WITH RESPECT TO COR-**
4 **PORATE ACCOUNTABILITY.**

5 It is the sense of the House of Representatives that,
6 to help establish public control and citizen sovereignty over
7 global corporations and reduce the ability of global cor-
8 porations to evade local and national law, the following
9 measures should be implemented:

10 (1) ESTABLISHMENT OF CODE OF CONDUCT.—

11 The United States should enter into negotiations
12 with other countries to establish a binding Code of
13 Conduct for Transnational Corporations. The code
14 should impose on each corporation that operates in
15 more than 1 country the following requirements:

16 (A) EMISSIONS DISCLOSURES.—The cor-
17 poration should disclose land, water, and air
18 emissions of toxic substances for each facility
19 and disclose accidental discharges of toxic sub-
20 stances. The list of toxic substances for which
21 disclosure is required should include, at a min-
22 imum, substances covered by the toxic release
23 inventory in the United States.

24 (B) FACILITIES DISCLOSURES.—The cor-
25 poration should disclose the names and address-

1 es of all fully or partially owned facilities and
2 all contractors and subcontractors.

3 (C) HAZARDOUS MATERIALS DISCLO-
4 SURES.—The corporation should disclose haz-
5 ardous materials imported across national bor-
6 ders.

7 (D) WORKER RIGHTS.—The corporation
8 should abide by all internationally recognized
9 worker rights as defined in the Trade Act of
10 1974 and all International Labor Organization
11 conventions.

12 (E) ENVIRONMENTAL STANDARDS.—The
13 corporation should adhere to standards no
14 lower than the World Bank standards on pollut-
15 ant discharge and all other environmental per-
16 formance measures.

17 (F) TERMINATION OF OPERATIONS.—The
18 corporation should give advance notification and
19 severance pay to workers when operations are
20 terminated.

21 (G) UNIONS.—The corporation should sign
22 neutrality agreements protecting union orga-
23 nizing efforts.

1 (H) FINANCIAL DISCLOSURES.—The cor-
 2 poration should disclose financial information
 3 including—

- 4 (i) local profits and losses;
- 5 (ii) ownership;
- 6 (iii) environmental liabilities; and
- 7 (iv) information on policies of the cor-
 8 poration that affect stakeholders other
 9 than shareholders, such as employment
 10 practices, worker health, tax payments,
 11 and receipt of government subsidies.

12 (I) INVESTMENT.—The corporation should
 13 report its investment intentions.

14 (J) EDUCATION AND JOB TRAINING.—The
 15 corporation should offer employees education
 16 and job training.

17 (K) SOCIAL AND ENVIRONMENTAL STAND-
 18 ARDS.—The corporation should adhere to social
 19 and environmental standards that are, at min-
 20 imum, no less than the social and environ-
 21 mental standards that are required of the cor-
 22 poration in its home country.

23 (2) ENFORCEMENT OF CODE OF CONDUCT.—
 24 There should be established a mechanism of adju-
 25 dication and sanctions to enforce the code of con-

1 duct. The enforcement mechanism should allow both
 2 governments and citizens to initiate complaints of
 3 noncompliance by global corporations and should op-
 4 erate in a transparent manner.

5 (3) NO REPRISALS.—Governments should not
 6 be subject to trade or other reprisals for efforts to
 7 enforce the code of conduct.

8 (4) STANDARDS PENDING IMPLEMENTATION.—
 9 Pending the implementation of the code of conduct,
 10 corporations based in the United States should im-
 11 mediately follow, in their overseas operations, the
 12 standards of the United States or the host country,
 13 whichever is stronger, with respect to the following
 14 matters:

15 (A) TOXIC SUBSTANCE DISCLOSURES.—
 16 Disclosure of the use, emission, and accidental
 17 discharge of toxic substances.

18 (B) FACILITIES DISCLOSURES.—Disclosure
 19 of the names and addresses of fully or partially
 20 owned facilities and of contractors and sub-
 21 contractors.

22 (C) LABOR RIGHTS.—Core internationally
 23 recognized labor rights.

24 (5) U.S. LAWS.—The laws of the United States
 25 should be amended such that corporations incor-

1 porated or operating in the United States are held
2 liable for harms caused abroad and that persons ag-
3 grieved by such harms can pursue actions for relief
4 in the courts of the United States.

5 **SEC. 9. SENSE OF THE HOUSE WITH RESPECT TO REFORM**
6 **OF INTERNATIONAL TRADE AGREEMENTS.**

7 It is the sense of the House of Representatives that,
8 within 6 months of the passage of this resolution, the
9 President should begin the process of renegotiating all
10 agreements regulating international trade, including the
11 World Trade Organization, the North American Free
12 Trade Agreement, and bilateral investment treaties, in ac-
13 cordance with the following policies:

14 (1) OBJECTIVES.—The renegotiated agreements
15 should achieve the following objectives:

16 (A) REORIENTATION.—To reorient trade
17 and investment to be means to carrying out just
18 and sustainable development rather than ends
19 to be maximized for their own sake.

20 (B) PROCEDURES.—To specify in each
21 agreement objectives and time frames for
22 achieving just and sustainable development with
23 procedures for evaluation and corrective meas-
24 ures.

1 (C) RIGHTS AND PROTECTIONS.—To re-
2 move labor and environmental rights and condi-
3 tions and social protections as factors of com-
4 petition, such as by international agreements to
5 avoid competitive cuts in the social safety nets.

6 (D) TRUE COSTS.—To incorporate in mar-
7 ket prices the true long-term costs of industrial
8 production, including the costs of resource de-
9 pletion, toxic waste production, total waste, and
10 disposal or recycling of final product.

11 (2) SPECIFIC PROVISIONS.—In renegotiating
12 the agreements, the United States should pursue the
13 incorporation of the following specific provisions:

14 (A) INTERNATIONAL CONVENTIONS.—En-
15 forceable provisions that require the contracting
16 parties to recognize and enforce the principal
17 conventions of the United Nations and the
18 International Labor Organization with regard
19 to the environment, labor, antidiscrimination,
20 and human rights.

21 (B) MINIMUM STANDARDS.—Guaranteed
22 minimum standards for dignified work, healthy
23 communities, and a clean environment.

24 (C) HEIGHTENED STANDARDS.—The right
25 of local and national governments to set stand-

1 ards above the internationally guaranteed mini-
2 mums.

3 (D) LOCAL OBJECTIVES.—The right of na-
4 tions and localities to plan for local economic
5 development objectives such as raising employ-
6 ment levels, enhancing employment opportuni-
7 ties for targeted populations, raising wage levels
8 in specific industries, dignified work, and
9 healthy communities.

10 (E) MARKET ACCESS.—Preferential mar-
11 ket access for less developed countries as a
12 means to accelerate development and counter
13 global inequality.

14 (F) STABILIZATION.—Commodity price,
15 production, and market stabilization as a means
16 to encourage stability and development in poor-
17 er countries.

18 (G) ACCESS TO TECHNOLOGY.—Rapid and
19 inexpensive access to all forms of technical
20 knowledge to aid sustainable development.

21 (H) OWNERSHIP.—Protection of the right
22 of countries to take legal measures that require
23 public or state ownership in some sectors, exclu-
24 sive national ownership in some sectors, and na-

1 tional participation in the ownership of some
2 sectors.

3 (I) PERFORMANCE REQUIREMENTS.—Pro-
4 tection of the right of countries to make per-
5 formance requirements designed to achieve
6 local, regional, and national economic objec-
7 tives, such as requirements for local inputs and
8 local hiring preferences.

9 (J) ANTISPECULATIVE PROVISIONS.—Pro-
10 tection of the right of countries to make
11 antispeculative provisions, such as requirements
12 that investments remain in place for a min-
13 imum period.

14 (K) CONSERVATION.—The requirement,
15 for purposes of ecological conservation, that
16 local permission be obtained for the exploitation
17 of natural resources.

18 (L) DISCLOSURE.—Full public disclosure
19 of all trade negotiations.

20 (M) FUNDING.—Funding mechanisms that
21 levy surcharges on increases in trade flows to
22 pay for environmental consequences of trade,
23 such as border pollution and increased trans-
24 port, and social consequences of trade, such as
25 loss of jobs and tax base.

1 (3) REPORT.—Within 1 year after the passage
2 of this resolution and annually thereafter, the Sec-
3 retary of the Treasury should submit a report to the
4 Congress that describes the progress made in imple-
5 menting this section with respect to each agreement
6 subject to this section.

7 (4) SATISFACTION OF CONGRESS.—For each
8 agreement subject to this section, the United States
9 should withdraw from the agreement in accordance
10 with the withdrawal provisions contained in the
11 agreement unless, within 6 months after the submis-
12 sion of any report under paragraph (3) with respect
13 to the agreement, the House of Representatives and
14 the Senate do not each pass a resolution containing
15 an expression of satisfaction with the progress made
16 in implementing this section with respect to the
17 agreement.

18 (5) TRADE AGREEMENT NEGOTIATING AUTHOR-
19 ITY.—The Congress should terminate all existing
20 grants of trade agreement negotiating authority.
21 The United States should immediately cease ongoing
22 negotiations of new trade and investment agree-
23 ments until such time as the Congress passes new
24 negotiating authority and objectives.

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